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By PwC Deutschland | 20. August 2025

MoF: Amended circular on the VAT treatment of online event services

In April 2024, the tax authorities commented on the VAT implications of online event services. This administrative circular has now been revoked and replaced by a revised circular issued most recently by the Ministry of Finance (MoF). The VAT Act Application Ordinance was adjusted accordingly.

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I. Background

Events in the art and culture sector but also in the field of science, education, sports, and entertainment are increasingly being offered via the Internet or similar electronic networks. There is a wide range of available events. In some cases live events are broadcast digitally in real time, and live broadcasting completely renders personal attendance superfluous. In many cases, live recordings or pre-produced recordings of events (such as concerts but also classes or fitness courses) are made available digitally for viewing and accessing via streaming or download. The current MoF circular looks in more detail on the VAT aspects of the various forms of these media offerings.

In addition to the question of the place of supply of the individual service the MoF also clarifies to some extent which tax exemptions or tax reductions are applicable.

II. Summary overview of the issues addressed in the circular

After consultation with the highest financial authorities of the federal states the MoF circular of 29 April 2014 is hereby revoked and replaced by the following regulations for online event services in the B2C sector:

1. Pre-produced content

The recording of an event (including pre-produced recordings) provided by an entrepreneur (organizer) in digital form constitutes an “electronically supplied service“ within the meaning of Section 3a (5) sentence 2 number 3 VAT Act provided it can be accessed individually by the recipient at a later fixed time or at a freely selectable point in time and if it is transmitted exclusively via the Internet or a similar electronic network.

If the customer of one of the supplies of these services referred is not a taxable person the place of supply of the service shall be the place where the customer is resident, has his permanent address or his seat - Section 3a (5) sentence 1 VAT Act.

In contrast, the distribution and redistribution of pre-produced content made available on the Internet is not viewed as electronically supplied service but rather as a radio and television broadcasting service (Section 3a (5) sentence 2 number 2 VAT Act) if the content is simultaneously transmitted via radio or a television station.

The place of this radio and television service is also the place where the customer is resident, has his permanent address or his seat if the recipient of the service is not an entrepreneur.

2. Live-Streaming

A live streaming service provided by an entrepreneur (organizer) for an event that takes place parallel to or instead of the “on-site” event in real time does not constitute an electronically supplied service because the event is provided as a significant service with

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more than just minimal human involvement and is by its very nature not essentially automated. Rather, it is considered as a supply for cultural, artistic, scientific, educational, sporting, entertainment or similar services within the meaning of Section 3a (3) no. 3 VAT Act. The place of such supply to a customer who is neither a taxable person nor a legal person and who is not commercially active is the place where the service is in fact carried out by the taxable person.

In contrast to the digital provision of recorded content, live streaming of events is exempt from VAT pursuant to Section 4 (20) letters a and b VAT Act, if the services are provided by an institution eligible for tax relief under this provision, namely transactions executed by bodies governed by public law such as theatres, orchestras, chamber music ensembles, choirs (…) and the presentation of theatre performances and concerts by other taxable persons if the performances are presented by the theatres, orchestras, chamber music ensembles or choirs.

If, on the other hand, the services are not provided by an institution eligible for tax relief under Section 4 (20), they may be eligible for the reduced VAT rate under Section 12 (2) no. 7 letter a VAT Act (“the admission to theatres, concerts and museums, as well as performances comparable to theatre performances and concerts by performing artists“).

3. Commissioning of service (commission agents)

Especially in the field of music events (concerts, orchestra performances etc.) it is common for digital content (live streams or recordings) to be made available via external event platforms or other third parties.

Here, it must be examined whether the requirements of Section 3 (11) or (11a) VAT Act are met. This is the case if another taxable person is engaged to provide a supply of services and, in so doing, acts on his own behalf but for the account of a third party (Section 3 para. 11 VAT Act) or where a taxable person is involved in the provision of a supply of services via a telecommunication network, an interface or a portal (Section 3 para. 11a VAT Act).

If the live streaming service is provided as part of a service commission pursuant to Section 3 (11) or (11a) VAT Act (i. e., a ‘taxable person acting in his own name but on behalf of another person’) the service-related criteria of the tax exemption or reduction shall apply to the service provided to the contractor and carried out by him. If an entrepreneur procures services for third parties to which the exemption in Section 4 (20) letter a VAT Act applies the procurement services provided to the customers are also VAT exempt under Section 4 (20) letter a VAT Act. Personal characteristics of those involved in the service chain must continue to be involved in the VAT assessment for each service within a service commission.

4. Combination of services

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The nature of the transaction in question must be determined in order to establish whether the entrepreneur is providing the recipient with several independent main services or a single service. According to case law, the view of the average consumer must be taken into account. The economic substance of the services provided is of key importance here.

5. Application to other online services

The above comments also apply to other online services, for example in the education and health sectors, and, with regard to the VAT exemptions, also in the B2B sector. In accordance with the above, services which directly serve educational purposes are exempt from VAT under the further conditions laid down in Section 4 (21) and (22) VAT Act. In particular, this is the case if the teaching service is provided interactively as part of a live streaming service. Online medical consultations via video stream with direct exchange between the patient and the doctor are also exempt from VAT as medical treatment under the further requirements in Section 4 (14) VAT Act.

6. Application

The previous MoF circular of 29 April 2024 is hereby repealed. With regard **to the place of supply of the service** the principles of this MoF circular are to be applied for the first time to transactions made after 31 December 2024.

The principles set out in this circular are to be applied in all open cases **with regard to VAT exemptions** under Section 4 No. 14 and Nos. 20, 21, and 22 letter a VAT Act and in respect of the reduced VAT rate under Section 12 (2) No. 7 letter a VAT Act.

For services provided before 1 January 2026 (also concerning the corresponding input VAT deduction) no objection will be made, if the principles laid down in the MoF letter of 29 April 2024 are applied.

Source:

Ministry of Finance, circular of 8 August 2025 - ref.: III C 3 - S 7117-j/00008/006/043.

Schlagwörter

digital platform operators, electronic services